



Sustainability Sub-Committee Meeting Members - April 17, 2019

| Name | Organization | Present |
|--|---|---------|
| Kentucky Education & Workforce Development Cabinet | Dr. Deborah Williamson | |
| Kentucky Cabinet of Economic Development | Kristina Slattery | X |
| Kentucky Labor Cabinet | Danny Davis | X |
| Kentucky Cabinet for Health & Family Services | Jennifer Harp | |
| Kentucky Justice & Public Safety | Dallas Hurley | |
| Kentucky Council on Post-Secondary Education | Kris Williams | X |
| Kentucky Department of Education | David Horseman/Charlie Harman /Robin Kinney | X |
| Kentucky Commission on Military Affairs | Russ Watts | |
| Kentucky Chamber of Commerce | No Representation | |
| Kentucky Housing Corporation | Edwin King | X |
| Chief Local Elected Official (representing the LEOs through KACo) | Judge Orbrey Gritton | |
| Local Board Director (representing the 10) | Sherry Johnson | |
| State Director of the Kentucky National Federation of Independent Business | Tom Underwood | X |
| Executive Director of the Kentucky Human Development Institute | Jeff White | X |
| Job Corps Director (representing the 7) | Troy Fitzhugh | X |
| Kentucky Workforce Innovation Board | Amy Luttrell | X |





Sustainability / Benefit Cliff Analysis Committee Meeting

April 17, 2019

AGENDA

- ✓ Preliminary Work and Resource Updates
- ✓ The Kentucky Model – What Should it Look Like?
 - Self Sufficiency Standard
 - Benefit Cliff Analysis
 - Calculator
- ✓ Policy Changes
- ✓ Third Party Entity
- ✓ Other

VII. The Collaborative shall collaboratively fund and analyze, or have analyzed by a qualified third party, the available data and resources regarding the population of Kentucky in order to determine an earnings standard that represents the minimum level of income by which a Kentucky resident can be considered self-sufficient. This self-sufficiency standard shall be determined for households of various compositions and must reflect what is needed to adequately meet the basic needs of Kentucky citizens in representative regions of the state absent public or private assistance. This report should include the ability to also analyze the benefit cliff with regard to individuals who are receiving state assisted benefits in comparison to the determined self-sufficiency wage via the private sector. Beginning on January 1, 2020, and every two years thereafter, this standard shall be reported to the KWIB and may be updated at that time to reflect changes in the economic condition of the state.



| Workforce Populations | Definition | Source |
|--|---|---|
| Individuals with Disabilities | A person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment | www.ADA.gov |
| Underemployed | A person at least 16 years of age employed less than full time; employed in a position with inadequate respect to skills and training; meet the definition of low income in WIOA law; Employed but earnings are not sufficient compared to previous job's | https://www.bls.gov |
| Unemployed | People who are jobless, looking for a job, and available for work | https://www.bls.gov |
| Dislocated Workers and Spouses | A person who has been terminated or laid off, or has received a notice of termination or layoff from employment; Is eligible for or has exhausted unemployment insurance; Has demonstrated an appropriate attachment to the workforce, but not eligible for unemployment insurance and unlikely to return to a previous industry or occupation; Has been terminated or laid off or received notification of termination or layoff from employment as a result of a permanent closure or substantial layoff; Is employed at a facility, where the employer has made the general announcement that the facility will close within a 180 days; Was self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community or because of a natural disaster; or is a displaced homemaker who is no longer supported by another family member | https://www.bls.gov |
| Veterans, Transitioning Service Members and Spouses | A person who served on active duty for a period of more than 180 days and was discharged or released therefrom with other than a dishonorable discharge; was discharged or released from active duty because of a service-connected disability; or as a member of a reserve component under an order to active duty pursuant to section 12301(a), (d), or (g), 12302, or 12304 of title 10, served on active duty during a period of war or in a campaign or expedition for which a campaign badge is authorized and was discharged or released from such duty with other than a dishonorable discharge; Spouse of a veteran. | https://www.dol.gov |

| Workforce Populations | Definition | Source |
|----------------------------|--|---|
| Disadvantaged Youth | <p>Out-of-school youth must be aged 16-24, not attending any school, and meet one or more additional conditions, which could include: School dropout; within age of compulsory attendance but has not attended for at least the most recent complete school year calendar quarter; holds a secondary school diploma or recognized equivalent and is low-income and is basic skills deficient or an English language learner; subject to the juvenile or adult justice system; homeless, runaway, in foster care or aged out of the foster care system, eligible for assistance under Section 477, Social Security Act, or in out-of-home placement; pregnant or parenting; an individual with a disability; low income person who requires additional assistance to enter or complete an educational program or to secure and hold employment: In-school youth must be aged 14-21, attending school, low income, and meet one or more additional conditions, which could include: Basic skills deficient; English language learner; an offender; homeless, runaway, in foster care or aged out of the foster care system; pregnant or parenting; an individual with a disability; person who requires additional assistance to enter or complete an educational program or to secure and hold employment</p> | https://www.doleta.gov |
| Foreign Born | <p>People residing in the United States at the time of the population survey who were not U.S. citizens at birth. The foreign-born population includes naturalized U.S. citizens, lawful permanent immigrants (or green-card holders), refugees and asylums, certain legal nonimmigrants (including those on student, work, or some other temporary visas), and persons residing in the country without authorization.</p> | https://www.census |
| Ex-Offenders | <p>An individual convicted of a crime who served time or who shall be treated as convicted even if he or she was placed on probation by a state court without a finding of guilty.</p> | https://www.irs.gov/ |
| Other | <p>Those who are marginally attached and not currently looking for a job.</p> | |

Self Sustainability and Living Wage

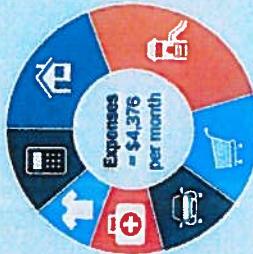
THE SELF-SUFFICIENCY STANDARD AT A GLANCE

HOW MUCH IS ENOUGH IN INDIANA?

DENSEDYNAMICSCHEMUSTERS

The Self-Sufficiency Standard calculates how much income families of various sizes need to make ends meet without public or private assistance.

HOMESTEAD AND COUNTRY LIFE



Housing = \$852 Child Care = \$1,149 Food = \$638 Health Care = \$426 Medical Care = \$532 Taxes/Hst = \$502 Transportation = \$477

METHAN WAGES HAVE NOT KEPT UP WITH

NEEDS IN THE COST OF LIVING

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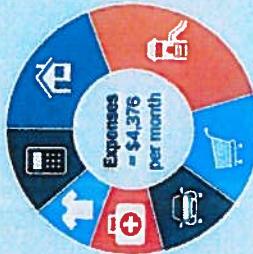
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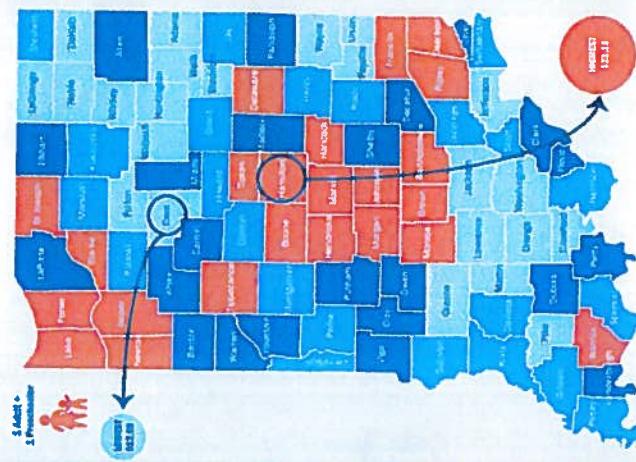
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<http://www.incap.org/iwwf/self-sufficiency/2016-Self-sufficiency-report.pdf>

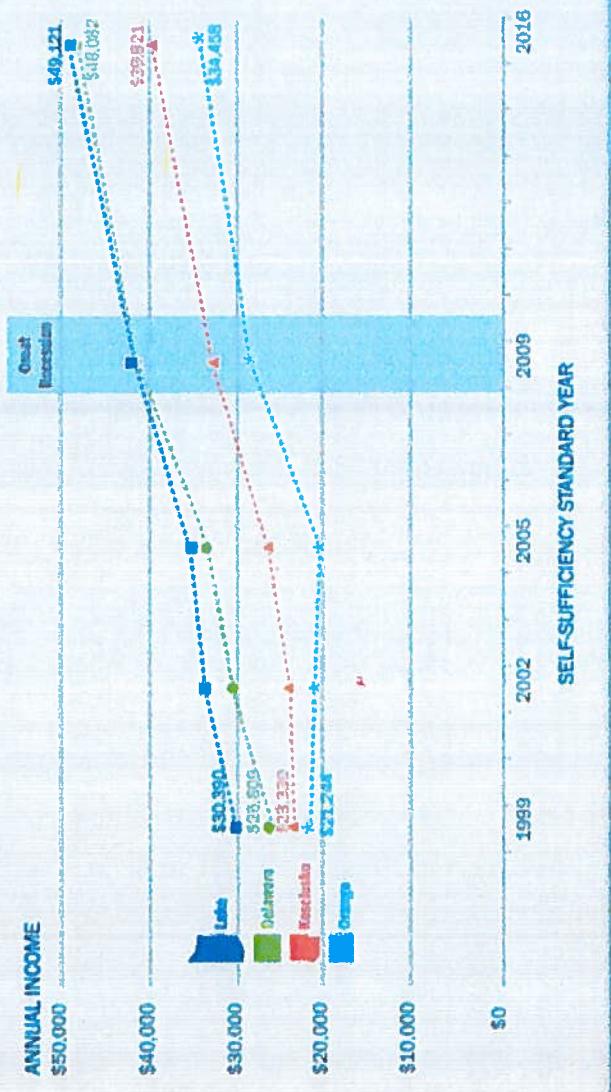
FIGURE A. Map of Counties by Level of County Self-Sufficiency Wage
One Adult and One Dependent in 2012



2016

WIE WIRKT DER KOMMUNALISATIONSPOLITIK

**FIGURE E. The Self-Sufficiency Standard for Indiana by Year for Select Counties
One Adult, One Preschooler, and One School-age Child 1999, 2002, 2005, 2009, and 2016**



Dots for Indianapolis Compared to Other U.S. Cities 2016*
One School-age Child.



*Data for 120 U.S. Cities in 2016. Indiana Standard for the county in which the city is located. Values for Indianapolis and Columbus are updated using 2016
• Indianapolis • Phoenix, AZ
• Atlanta • Jacksonville, FL

Benefit Cliff Analysis

Living Wage Calculation for Kentucky

The living wage allows the family to support their family, they are the sole provider and are working full-time (2080 hours per year). All values are per adult in a family unless otherwise noted. The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically gauged as gross family income.

For further details please refer to the technical document [REF]

Living Wage Calculation for Tennessee

The living wage shown is the hourly rate that an individual must earn to support their family if they are to per adult in a family unless otherwise noted. The state minimum wage is the same for all individuals, regardless of age or gender.

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Living Wage Calculation for Ohio

The living wage shown is the hourly rate that an individual must earn to support their family. If they are the sole provider and are working full-time (2080 hours per year) All variables are per adult in a family unless otherwise stated. The state minimum wage is the same for all individuals regardless of how many dependents they may have. The poverty rate is typically measured at one person per household.

Each user "will" choose either the left or the right end of the line

Living Wage Calculation for West Virginia

The living wage shown is the hourly rate that an individual must earn to support their family. If they are the sole provider and are working full-time (2080 hours per year). All values are per adult in family unless otherwise noted. The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically

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| Family Size | | 1 Adult | | 2 Adults | | 2 Adults | | 2 Adults | | 2 Adults | |
|---|---------|---------|------------|----------|------------|----------|------------|----------|------------|----------|------------|
| | | 1 Child | 2 Children | 1 Child | 2 Children | 1 Child | 2 Children | 1 Child | 2 Children | 1 Child | 2 Children |
| Married Wages | \$10.64 | \$10.64 | \$26.31 | \$26.31 | \$26.30 | \$57.45 | \$20.65 | \$20.20 | \$25.63 | \$23.51 | \$8.72 |
| Living Wage | \$10.64 | \$10.64 | \$21.60 | \$21.60 | \$21.59 | \$52.07 | \$17.91 | \$17.91 | \$21.59 | \$19.43 | \$12.84 |
| Poverty Wage | \$5.64 | \$5.64 | \$7.91 | \$7.91 | \$7.90 | \$17.45 | \$8.75 | \$8.75 | \$10.75 | \$10.75 | \$5.72 |
| Entitlement Wage | \$6.75 | \$6.75 | \$9.75 | \$9.75 | \$9.75 | \$22.07 | \$12.75 | \$12.75 | \$15.75 | \$15.75 | \$8.50 |
| Entitlement Wage with Health Insurance | \$6.75 | \$6.75 | \$9.75 | \$9.75 | \$9.75 | \$22.07 | \$12.75 | \$12.75 | \$15.75 | \$15.75 | \$8.50 |

Living Wage Calculation for Indiana

The poverty wage shown in the figure also has an individual cost to support their family. If they are the sole provider and are working full-time (\$35 hours per year) at wages equal to or below a family wage, then minimum wage is the same as all other workers regardless of how many dependents they may have. The poverty rate is typically

Ergonomics in Design 13

Living Wage Calculation for Virginia

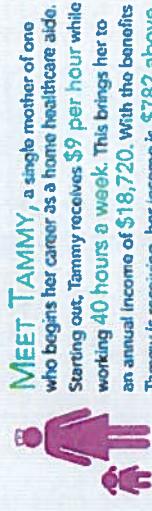
The living wage shown is the hourly rate that an individual must earn to support their family if they are the sole provider and are working full-time (2080 hours per year). As wages are per adult in a family units otherwise defined. The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is based on the U.S. Bureau of the Census definition of poverty.

Environ Biol Fish (2009) 86:103–113
DOI 10.1007/s10641-009-9500-7

Table 1: Work Support Policies in Indiana

| Work Support Program/ Limits Set at the National or State Level | Benefit | Income Eligibility Limits |
|---|---|---|
| Federal Earned Income Tax Credit (EITC)/Federal | Tax refund Up to \$3,094/year for 1 child; up to \$5,112/year for 2 children; up to \$5,751/year for 3 or more children | \$36,052-\$43,998 a year depending on family structure and number of children (income limits higher if married and filing jointly) |
| State Earned Income Tax Credit /State | Tax refund Set at 95% of the value of the federal EITC | Same as the federal EITC income eligibility as it existed before being amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) |
| Federal Child Tax Credit/Federal | Tax refund Up to \$1,000/year per child | Value of credit is phased out as adjusted gross incomes rises over thresholds (\$210,000, married/filing jointly; \$65,000, married/filing separately; \$75,000, all others) |
| Federal Child and Dependent Tax Credit/Federal | Tax refund Up to 35% of a limited amount of employment-related child care expenses | No income limit; share of expenses covered declines to 20% as income rises |
| Supplemental Nutrition Assistance Program (Food stamps)/ Federal with State Option | Food subsidies (in the form of EBT card) Up to \$545/month for family of 3; up to \$669/month for family of 4 | 130% FPL before subtracting deductions from income 100% FPL after subtracting deductions from income |
| Medicaid*/State with National Parameters | Subsidized health insurance for parents and children | \$3,456/year for family of 3 \$4,158 for family of 4 250% FPL |
| Hoosier Healthwise (CHIP)/State | Subsidized health insurance for parents and children | Program entry 127% FPL; program exit 121% FPL |
| Healthy Indiana Plan (HIP)/State | Subsidized health insurance for childless adults | 50% of area median family income (with exceptions) |
| Child Care Development Fund/State Section 8/Federal | Child care subsidy Rental assistance | 150% FPL |
| Low-Income Home Energy Assistance Program (LIHEAP)/Federal | Credit applied to energy bill | 185% FPL |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC)*/Federal | Food subsidies (and other benefits, including nutrition education and health screenings) for pregnant women, new mothers, infants, and children up to age 5 | 185% FPL |
| National School Lunch Program and School Breakfast Program*/ Federal | Food subsidies (meals provided at school) | 130% FPL for free meals; 185% FPL for reduced-price meals |

*See Appendix for eligibility for various government programs



MEET TAMMY, a single mother of one who begins her career as a home healthcare aide. Starting out, Tammy receives \$9 per hour while working 40 hours a week. This brings her to an annual income of \$18,720. With the benefits Tammy is receiving, her income is \$782 above the self-sufficiency line.

- Congratulations, Tammy! She has earned a raise and is now making \$11 per hour.
- Still working 40 hours a week, her annual income is now \$22,880. However, this raise makes her ineligible for certain benefits and she is now \$3,493 below the self-sufficiency line.

It's a girl! Tammy has her second child. She's now working 25 hours as a medical secretary for \$15 an hour. She is now \$1,810 below the self-sufficiency line.



- After taking time to spend with her newborn, Tammy decides to go back to work full time. Her annual income is \$31,200. With the increased hours, she drops to \$9,759 below the self-sufficiency line.

Tammy is a go-getter. Her hourly wage is increased to \$18 per hour and she is now making \$37,440 annually, bringing her \$6,441 under the self-sufficiency line.



WHAT DOES THIS MEAN FOR TAMMY?

Tammy's level of economic gross resources was higher when she was making \$9 per hour than when she was making twice as much.

SHE HAD A BETTER JOB, WAS EARNING MORE MONEY, BUT WAS FINANCIALLY WORSE OFF?

The increase in Tammy's hourly wage made her ineligible for particular benefits, causing her overall gross resources to fall.

WHERE DOES THIS LEAVE HER?

Tammy is a hard worker and is eager to succeed in her career. However, even if she continues to accept raises, her benefits, and subsequently her overall gross resources, will continue to drop. This will hold true until she is making \$20 per hour or more than \$40,000 annually.

HOW MUCH OF AN IMPACT DID TAMMY'S SECOND CHILD HAVE ON HER FINANCIAL POSITION?

If Tammy only had one child while making \$18 per hour at 40 hours a week, she would still be under the self-sufficiency line by \$2,764. Tammy's second child moved her \$3,677 further below the self-sufficiency line.



NICC

Net Income Change Calculator

U.I. Home

TPC Home

LWPF Project

State & Local Finance

TRIM

[Home](#)
[Net Income Change Calculator \(NICC\)](#)

[Methodology & Assumptions](#)

[User Notes](#)

[Staff & Acknowledgements](#)

[Funding](#)

[Contact Us](#)

If a low-income family earns more money, how much will the family's benefits from safety-net programs go down, how much will state and federal income and payroll taxes change, and how much will the family's total income go up?

Answers to those questions depend on many factors, including:

- the size of the earnings increase,
- the number and ages of children,
- the type of family — single parent, unmarried couple, or married couple,
- the safety net programs in which they participate,
- whether paid child care is needed,
- and other family characteristics.

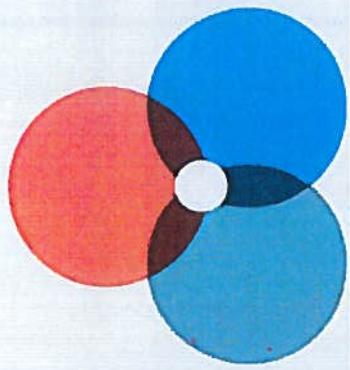
The Net Income Change Calculator (NICC) allows a user to specify a scenario to test and then shows the results for all 50 states and the District of Columbia.

NICC calculates a family's income at different earnings levels considering the effects of payroll taxes, income taxes, tax credits, child care expenses, and cash and in-kind benefits.

Safety-net programs incorporated into the calculations include Temporary Assistance to Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP formerly the Food Stamp Program), housing vouchers, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and child care subsidies through the Child Care and Development Fund (CCDF).

NICC uses 2012 tax laws and benefit rules, capturing both the detailed rules of each program and the complex interactions across programs.

[Start using the Net Income Change Calculator \(NICC\)](#)



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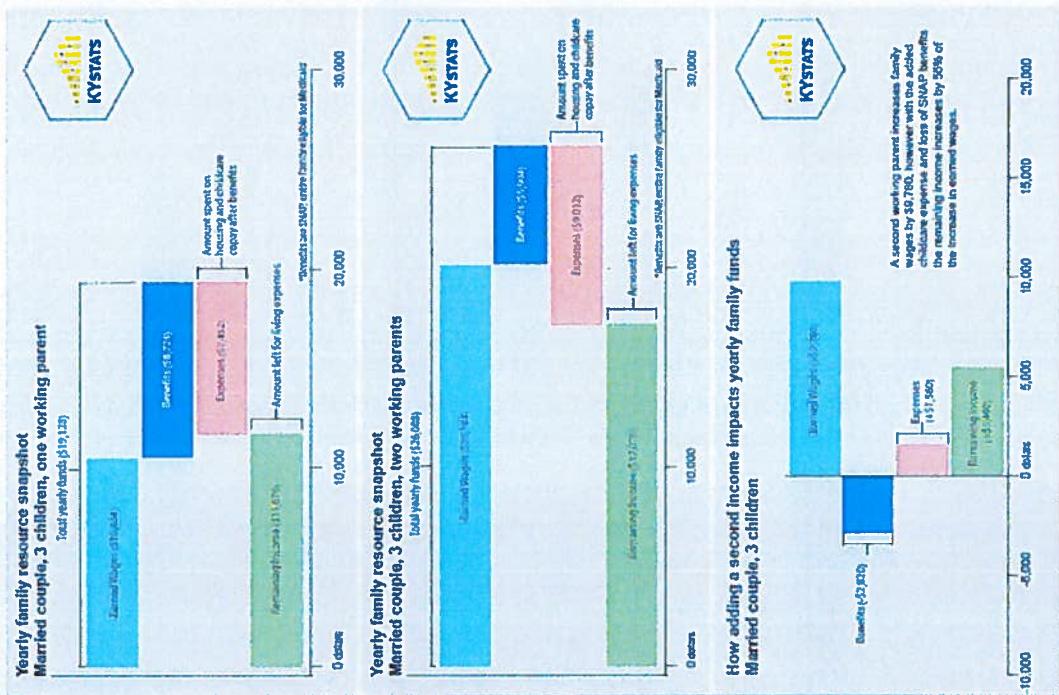
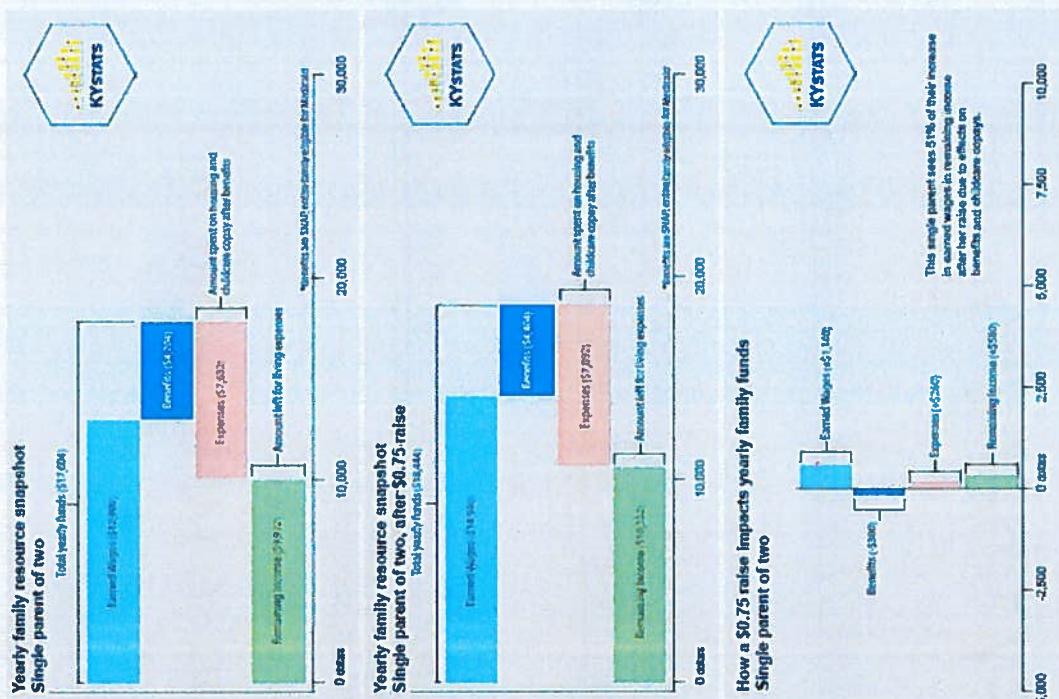
RESEARCH • ANALYSIS • ACTION

Benefit Cliffs and Helping Families On
the Path from Poverty to Prosperity

EXAMPLE

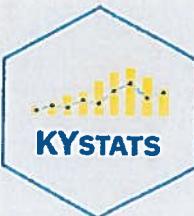
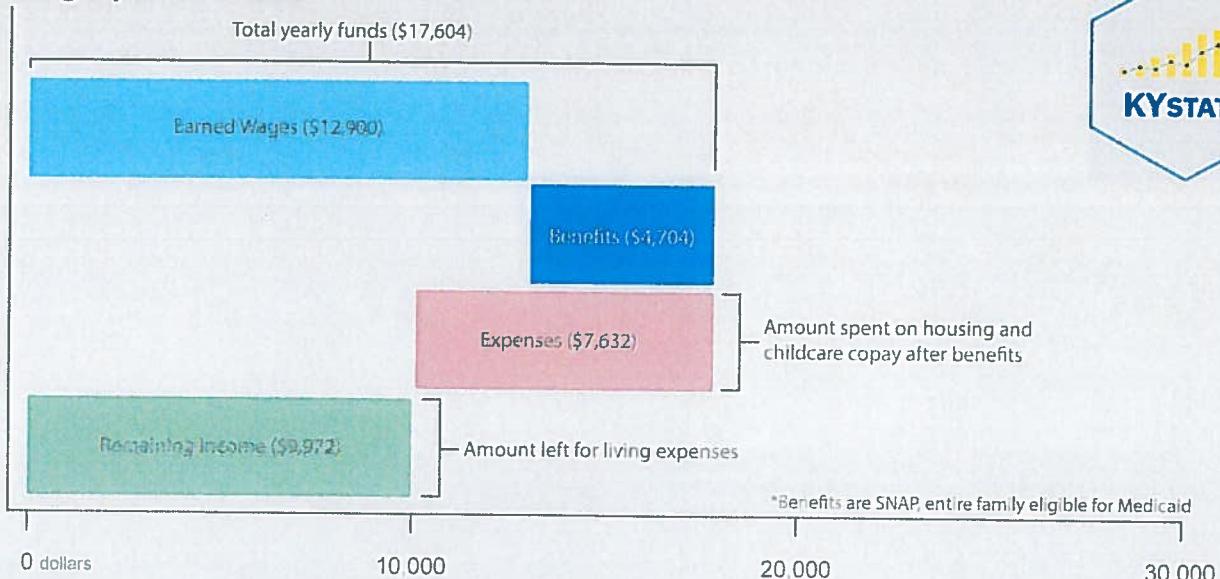
Policy Changes...

- <https://www.uvm.edu/~vlrs/Economicissues/Benefits%20Cliff.pdf>
- <http://www.bellpolicy.org/wp-content/uploads/2018/03/A-Look-Past-the-Cliff-March-2018.pdf>
- http://www.dhs.state.or.us/caf/ss/tanf/docs/tanf_reducing_the_benefits_cliff.pdf
- AND SO MANY MORE!!!



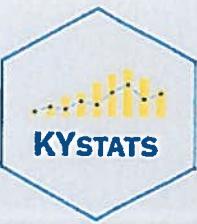
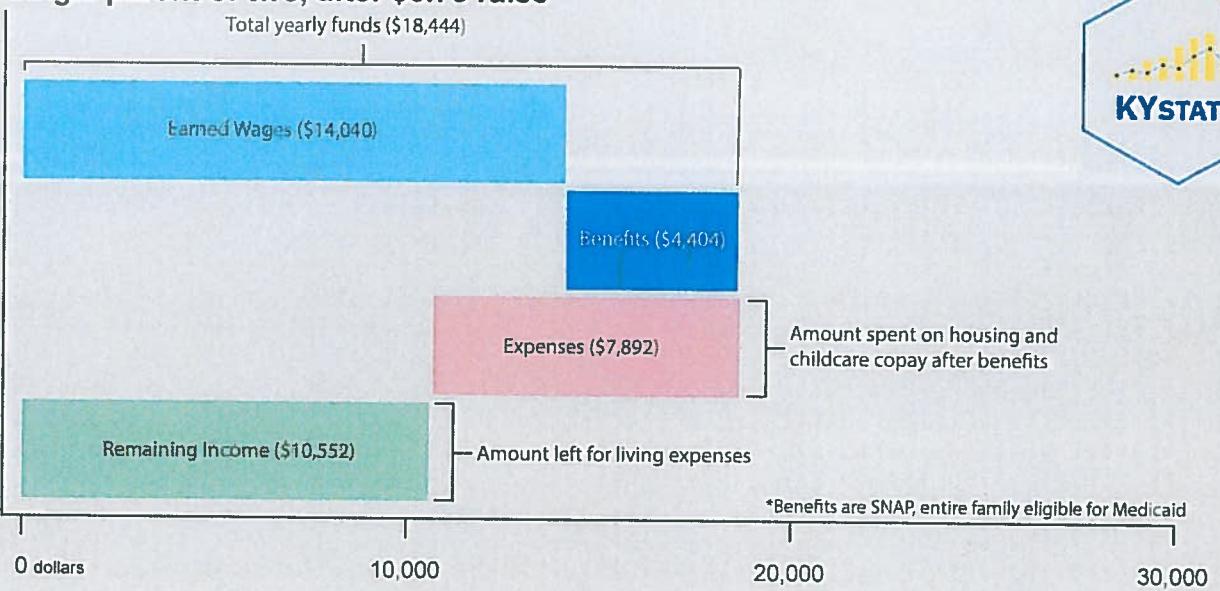
Yearly family resource snapshot

Single parent of two



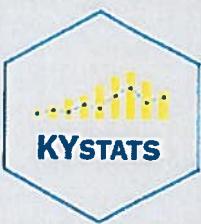
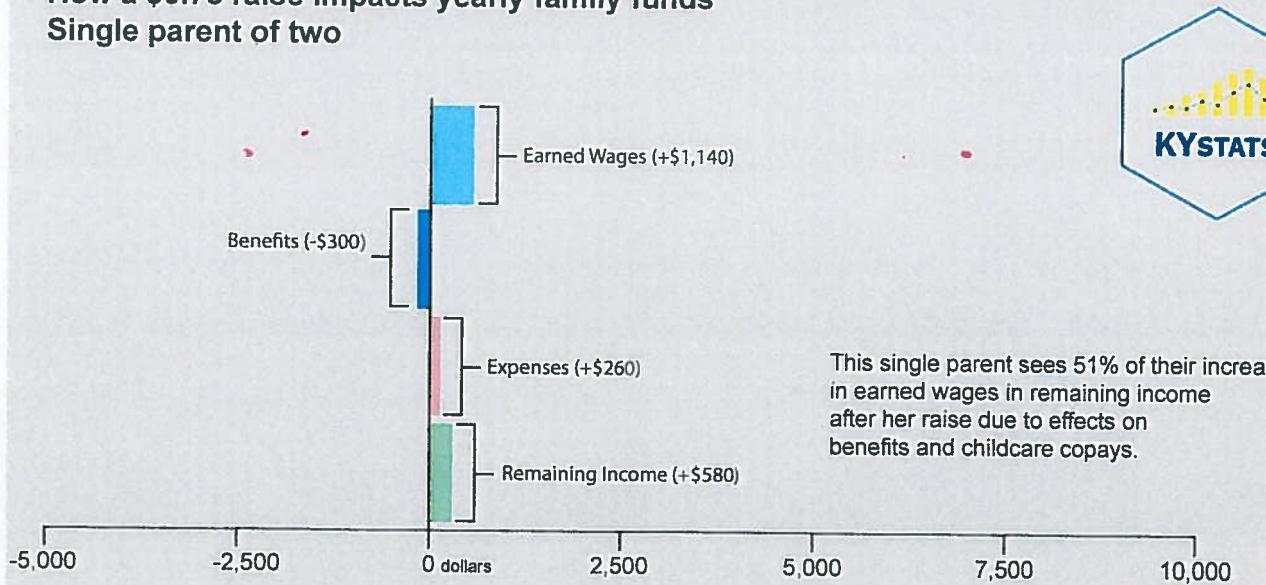
Yearly family resource snapshot

Single parent of two, after \$0.75 raise



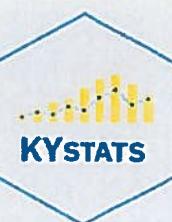
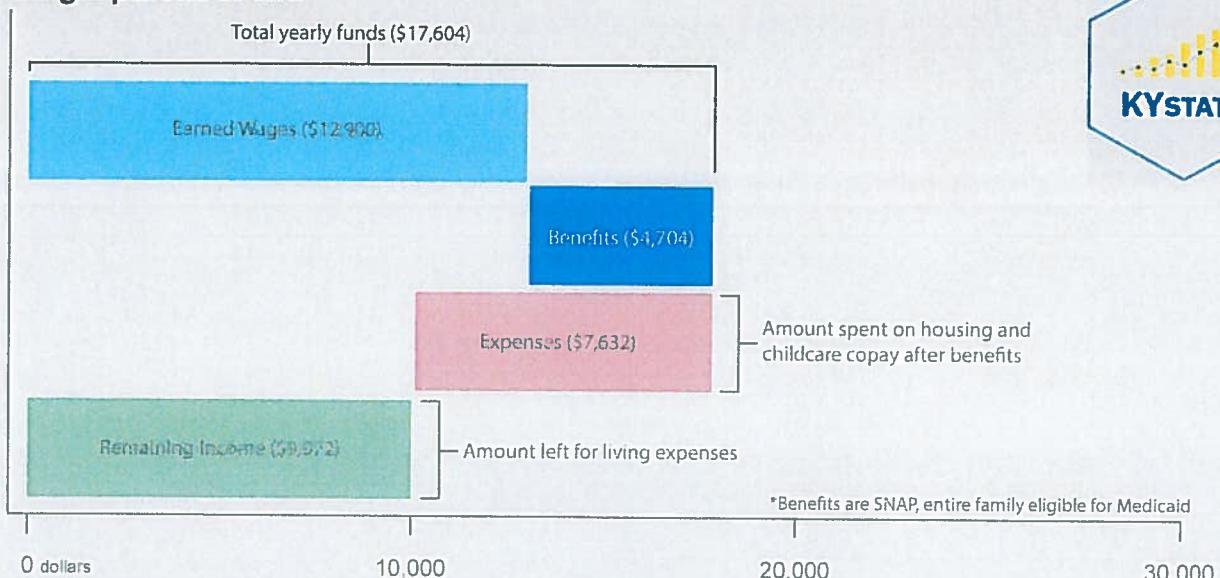
How a \$0.75 raise impacts yearly family funds

Single parent of two



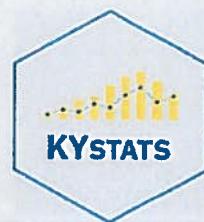
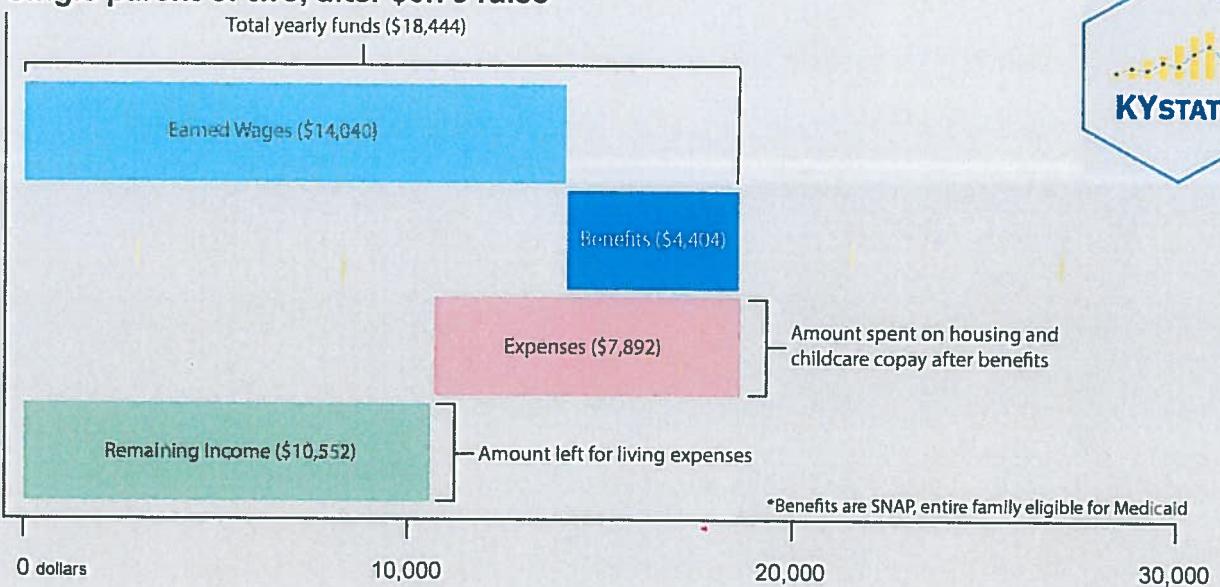
Yearly family resource snapshot

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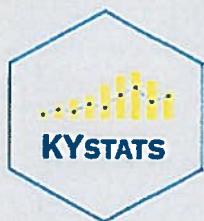
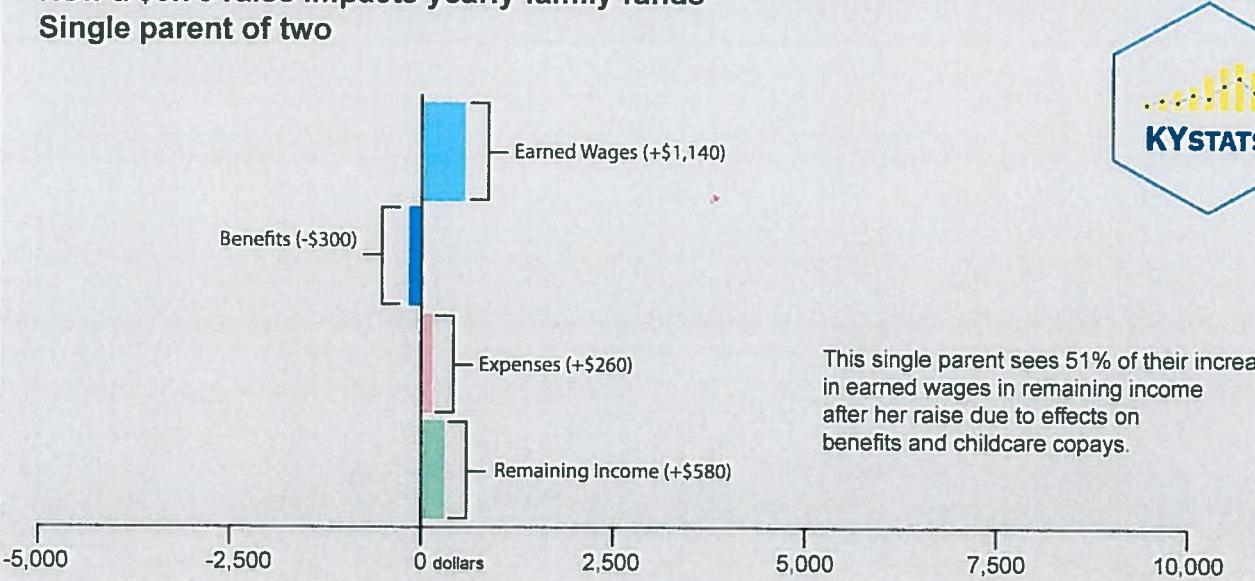
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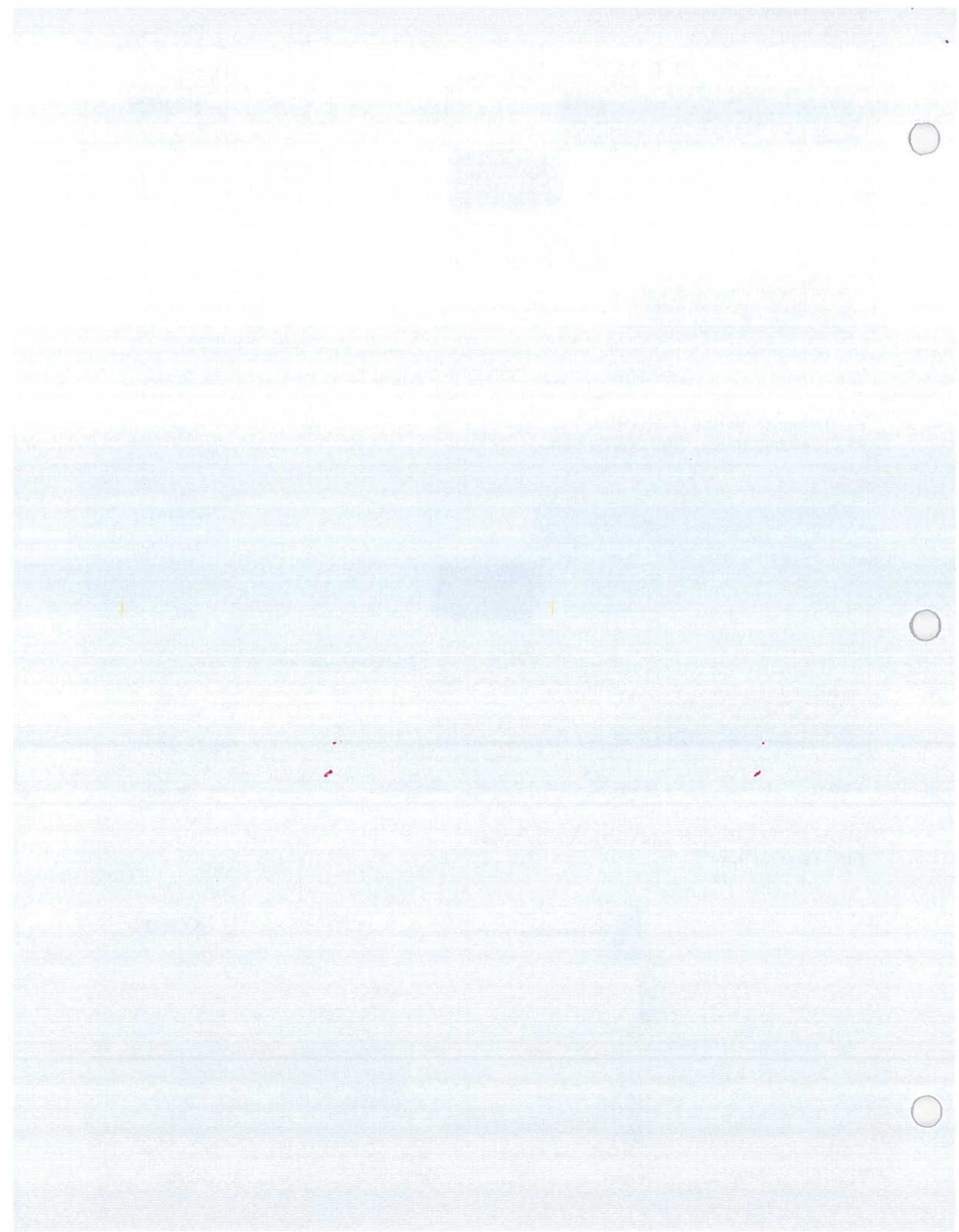
Single parent of two, after \$0.75 raise



How a \$0.75 raise impacts yearly family funds

Single parent of two







PULSE REPORT:

Outlining the Disincentives and Opportunity Costs for Working Mothers

August 30, 2016

EconomicsCenter



About the Women's Fund

Dear community partners,

"I'm working harder and harder, but I just can't seem to get ahead."

The Women's Fund of The Greater Cincinnati Foundation leads our community in ensuring the economic self-sufficiency of women in our region and ignites a shared desire to improve it.

We believe, and research shows, that when you invest in women, the entire community benefits.

Although there are many factors that contribute to a woman's ability to be self-sufficient, we focus on four areas: access to affordable, quality child care, training and education, employment, and getting more women into living-wage careers.

We lead

Always at the table, The Women's Fund provides a strong voice for women in our community. We bring together decision makers from different sectors so we can solve big community problems faster.

We research

Our research is a gift to the community. The Women's Fund has issued seven groundbreaking studies on the status of women and girls. This research helps us clarify the challenges, educate our leaders across the community, and gives us a road map of what issues to tackle first.

We invest

We've granted nearly \$1 million to empower women and girls in our eight-county service area.

The Women's Fund has been exploring this sentiment for more than four years and it was the impetus for our initial interest in the Cliff Effect. In 2012, we issued a PULSE Briefing about the Cliff Effect—when a small increase in wages triggers a complete cut-off of a public benefit that often leaves the worker worse off financially.

In order to understand the challenges of lower-wage workers more deeply, we commissioned the UC Economics Center to study the impact of Cliff Effect and other policies that contribute to working families staying in a cycle of instability and dependence, even as they try to achieve self-sufficiency. Although we found the cliffs have been smoothed out considerably in Hamilton County, there are numerous other complex challenges on the road to self-sufficiency.

As you will read, the results show that the journey to economic self-sufficiency is a long one marked by complexity, economic fragility and frustration.

We know our community is stronger when all people can participate, prosper and reach their full potential. Women are disproportionately represented among those living in poverty. If we want to tackle poverty, we absolutely must understand and address the needs and challenges of working mothers.

Let's use this data as a floodlight to illuminate the challenges we must tackle together.

HAMILTON COUNTY, OHIO, like many other regions around the country, is affected by the harsh reality of poverty. Of the 800,000 individuals living in Hamilton County, nearly 145,000 of them live in poverty. Women make up 80,000 of those Hamilton County residents. In particular, single mothers face an even greater challenge in their struggle to better their families' financial situations. Of approximately 12 million single-parent households in the U.S., 84 percent are headed up by single mothers. The average annual income for working single-mothers in Hamilton County is \$19,700, which is 20 percent above the poverty threshold for a family of two, and 46 percent of these families live in poverty.

The Women's Fund of the Greater Cincinnati Foundation, an organization leading the community to ensure economic **self-sufficiency for women**, focuses its mission in part on these single mothers who are battling high poverty rates, lower wages, and no way out.

There are many social assistance programs intended to alleviate the challenges faced by low-income individuals and families. Although the intent of these programs is assistance, navigating their complex rules can be a challenge. A potential participant may even fear a situation called the income "cliff effect," a wage threshold where a family or an individual becomes ineligible for particular benefits, causing their total gross resources to decline. This could disincentivize individuals from taking a job promotion or a raise, and more broadly, **stifles the potential of an individual to better their own circumstances**.

All benefit programs are designed to help those who need assistance. It is a disservice to both the mission and intent of these programs, and to the programs' participants to not address the cliff effect, because it **negates the primary objectives** of these programs – to help lift people out of poverty.

Meghan Cummings
Meghan Cummings
Executive Director
The Women's Fund of The Greater Cincinnati Foundation

MEET TAMMY, a single mother of one who begins her career as a home healthcare aide. Starting out, Tammy receives **\$9 per hour** while working **40 hours a week**. This brings her to an annual income of **\$18,720**. With the benefits Tammy is receiving, her income is **\$782 above the self-sufficiency line**.



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It's a girl! Tammy has her second child. She's now working **25 hours** as a medical secretary for **\$15 an hour**. She is now **\$1,810 below the self-sufficiency line**.



After taking time to spend with her newborn, Tammy decides to go back to work full time. Her **annual income** is **\$31,200**. With the increased hours, she drops to **\$9,759 below the self-sufficiency line**.

Tammy is a go-getter. Her hourly wage is increased to **\$18 per hour** and she is now making **\$37,440 annually**, bringing her **\$6,441 under the self-sufficiency line**.



WHAT DOES THIS MEAN FOR TAMMY?

Tammy's level of economic gross resources was higher when she was making \$9 per hour than when she was making twice as much.

SHE HAD A BETTER JOB, WAS EARNING MORE MONEY, BUT WAS FINANCIALLY WORSE OFF?

The increase in Tammy's hourly wage made her ineligible for particular benefits, causing her overall gross resources to fall.

WHERE DOES THIS LEAVE HER?

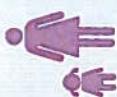
Tammy is a hard worker and is eager to succeed in her career. However, even if she continues to accept raises, her benefits, and subsequently her overall gross resources, will continue to drop. This will hold true until she is making \$20 per hour or more than \$40,000 annually.



HOW MUCH OF AN IMPACT DID TAMMY'S SECOND CHILD HAVE ON HER FINANCIAL POSITION?

If Tammy only had one child while making \$18 per hour at 40 hours a week, she would still be under the self-sufficiency line by \$2,764. Tammy's second child moved her \$3,677 further below the self-sufficiency line.

EVEN AT A HIGHER WAGE...



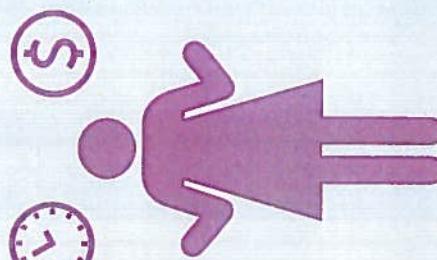
SINGLE MOTHER OF 1 PRESCHOOLER

Works 20 hours per week
at \$20/hr

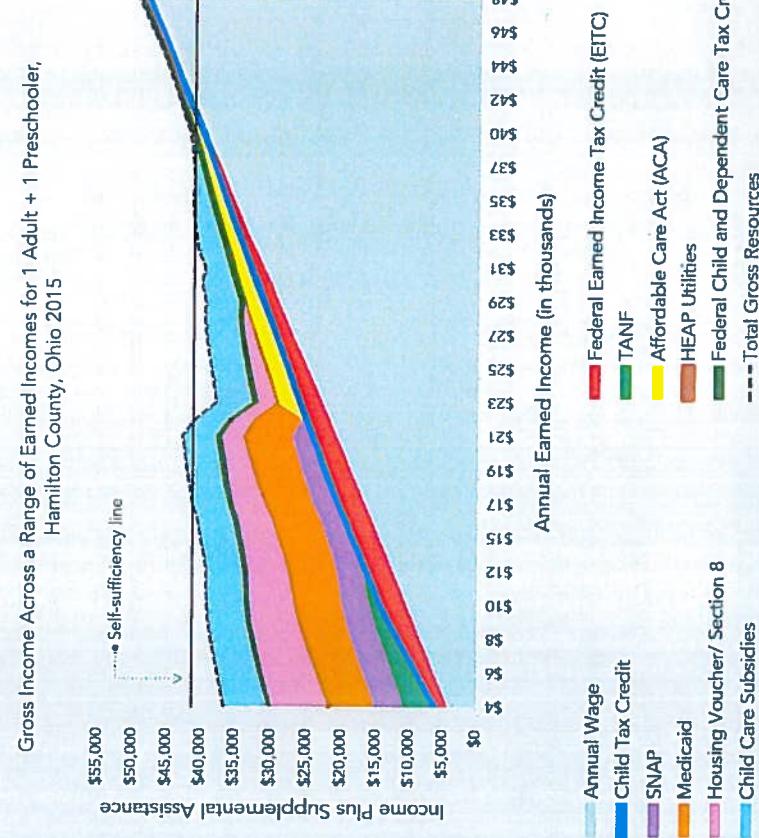
\$20,800 earned income
plus \$21,900 in public benefits
\$42,700 gross resources

\$41,600 earned income
plus \$2,000 in public benefits
\$43,600 gross resources

WOULD YOU WORK
AN ADDITIONAL
1,000 HOURS
FOR \$900?

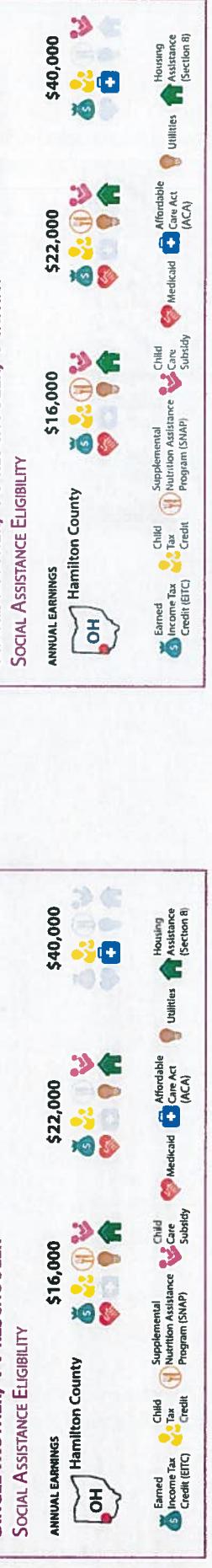


The graph below illustrates the dynamics between annual earned income and the array of varying social assistances for a single mother of a preschooler in Hamilton County. As the annual earned income increases, the total gross resources (the black dotted line) remains relatively flat due to a tapering of social assistance programs. Unless a household is making more than \$40,000 a year, or \$20 an hour full time, there are no significant impacts on their gross resources despite their career advances.

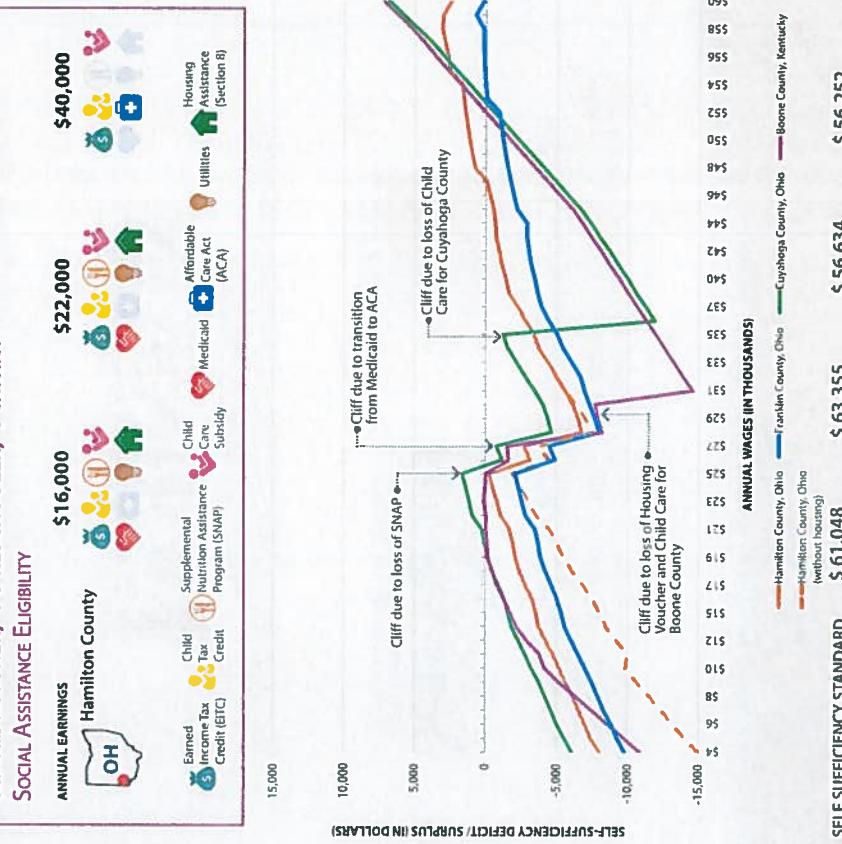


AS WE LEARNED WITH TAMMY'S STORY, a household loses eligibility for social assistance programs once its earnings surpass certain thresholds. The chart below shows the benefits eligibility at different income levels. The flatness of the benefits curve in the graph below illustrates the relationship between wages and available benefits. An increase in wages does not always lead to an increase in self-sufficiency because the lost benefits can outweigh the increased earnings.

SINGLE MOTHER, 1 PRESCHOOLER

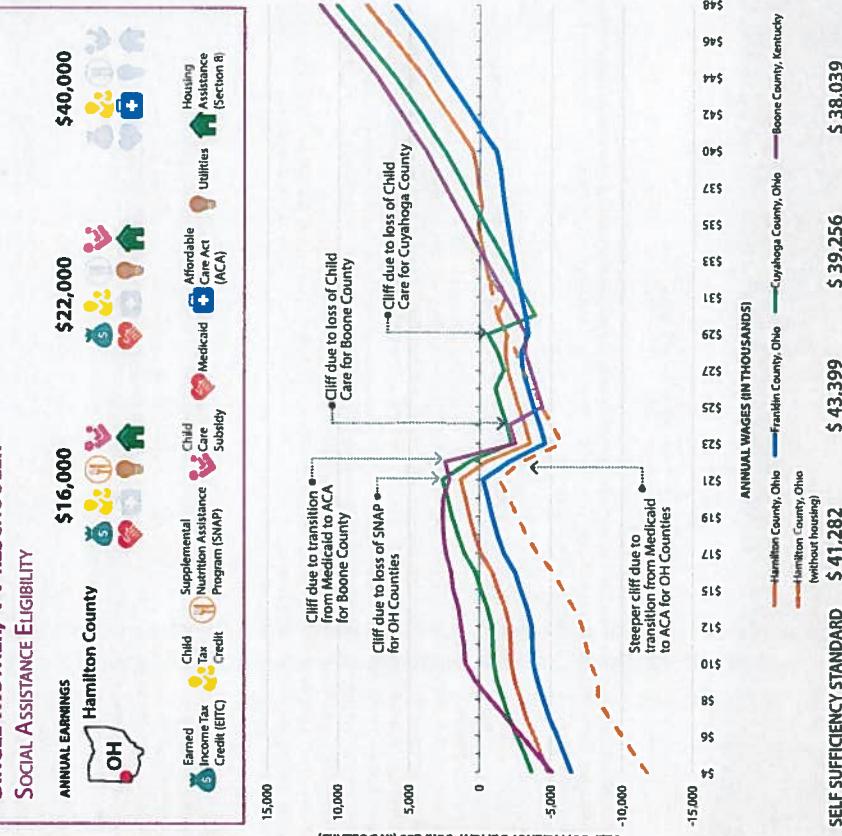


SINGLE MOTHER, 1 INFANT



In the case of a single mother with one preschooler, earned income between \$6,000 per year and \$40,000 per year results in less than a \$5,000 change in gross resources. To a lesser extent, the benefit curve is also flat for the case of a single mother with a preschooler and an infant. Overall, this flatness of the benefits curve may disincentivize career advancement, as individuals may feel as if they cannot work their way to self-sufficiency.

SINGLE MOTHER, 1 PRESCHOOLER



RECOMMENDATIONS AND CONSIDERATIONS

Based on the report prepared by the Economics Center, research into best practices from other communities, our qualitative Cliff Effect findings and input from key stakeholders in Greater Cincinnati, The Women's Fund has developed the following recommendations:

COMMUNITY EDUCATION AND ALIGNMENT

- Develop a common understanding about what constitutes self-sufficiency and how we can move more people toward it.
- Increase understanding about the financial fragility of families who are near or slightly above the self-sufficiency level and develop wrap-around systems to provide more stability during this critical period.
- Encourage active collaboration among sectors that are addressing poverty issues to develop a common agenda and shared measurements.
- Share data and findings among all poverty initiatives to create a common understanding and strongly advocate that all data includes a racial and gender lens.
- Strongly advocate that all community recommendations and actions regarding poverty are firmly rooted in the way race, gender and the intersectionality of the two play a critical role in the experience of individuals and in developing effective interventions.

PUBLIC POLICY

- Advocate to eliminate the Cliff Effect in the Commonwealth of Kentucky and other affected counties in Ohio.
- Close the gender wage gap which is present at all levels of work in all occupational groups.
- Advocate for paid family leave policies to increase career stability for working families.
- Increase the availability of subsidized housing in our area.

BENEFITS ADMINISTRATION PROCESS IMPROVEMENT

- Apply design thinking principles to the public benefits administration process to make the process more accommodating and encouraging to clients.
- Benchmark effective practices for benefits administration in other communities and pilot them locally.
- Promote full spectrum of benefits eligibility to those who qualify and collect more accurate data about usage rates.
- Continue to monitor the Cliff Effect by tracking eligibility requirements and the rate at which benefits taper off, and by examining how benefits interact with one another, all of which can have detrimental consequences for families trying to reach self-sufficiency.

WORKFORCE DEVELOPMENT AND CAREER MOBILITY

- Grow good, accessible jobs that provide pathways to the middle class.
- Recognizing that women are disproportionately represented in low-wage work, encourage career mobility by building bridges to better paying jobs through mentorships, education and on-the-job training.
- Develop a toolkit for businesses to help them recognize and address practices that have unintended consequences for their lower-wage workforce.
- Increase the availability and affordability of child care to ensure women can participate fully in the workforce.

We gratefully acknowledge the Murray and Agnes Seasongood Good Government Foundation and the Charlotte R. Schmidlapp Fund, Fifth Third Bank Trustee for their financial support of this research.



Murray & Agnes
Seasongood
Good Government Foundation



We appreciate our long-time Women's Fund Season Sponsor,
Johnson Investment Counsel.

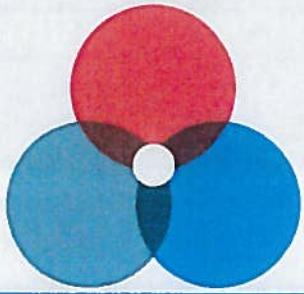
Many thanks to Janice Urbanik, Moira Brewer, Kevin Weir, Margaret Hulbert, Tobin Gardner, Nicole Armstrong, Troy Jackson, Stephanie Byrd, Amy Weber, Esther Cleary, Lynn Marmur, Johnmark Oudersluys, Cara Jacob and many other contributors who provided guidance, feedback and input to various aspects of this report. Your expertise, passion and critical eye were instrumental in shaping this report. Thank you also to the United Way Social Innovation Fund for their financial support and to CityLink and Design Impact who provided insight through their qualitative research on the Cliff Effect.



Visit www.cincinnatiwomensfund.org to download this report and the accompanying white paper. You can also access all of our other research, including the qualitative companion findings to this report, learn more about The Women's Fund and explore our Self-Sufficiency 101 resource library.

Economics Center

The Research and Consulting division of the Economics Center provides the knowledge building blocks that help clients make better policy and economic development decisions. Our dynamic approach and critical data analysis empower leaders to respond to changing economic conditions, strengthen local economies and improve the quality of life for their communities. Visit www.economicscenter.org/research for more information.



**THE CENTER FOR
COMMUNITY SOLUTIONS**
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Benefit Cliffs and Helping Families on the Path from Poverty to Prosperity

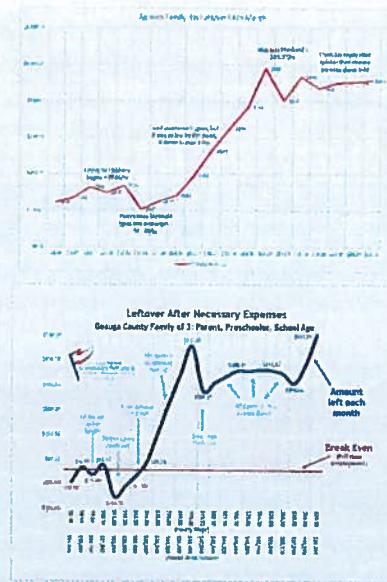
March 9, 2018

Nonpartisan and Nonprofit since 1913

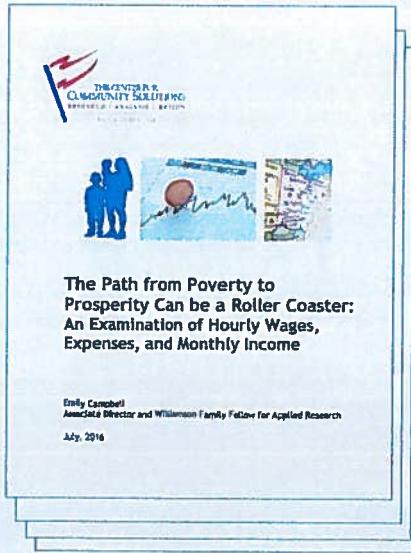
The Center for Community Solutions provides strategic leadership and organizes community resources to improve health, social, and economic conditions through applied demographic research, nonpartisan policy analysis and advocacy, and communication.

For the past several years, we've examined the benefit cliff in Ohio.

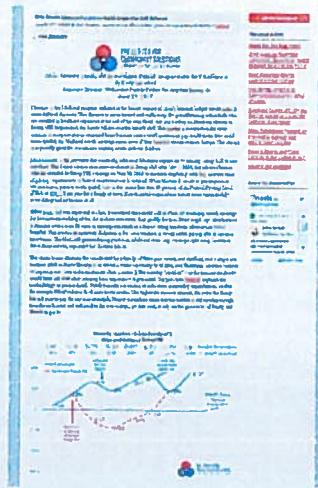
2015



2016



2017



What is the Benefit Cliff?

Low-income families qualify for “work support” benefits that help cover the cost of basic necessities.



However, as earnings increase, families begin to lose these benefits.

The Result? People can earn more without improving their financial situation



Public benefits help families make ends meet.



FOOD

=

SNAP



HOUSING

=

HCVP
(Section 8)



HEALTH

=

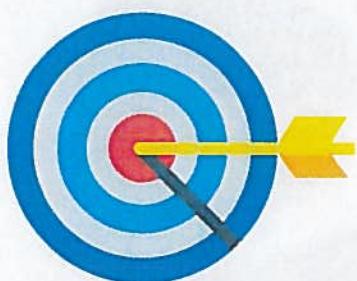
Medicaid



CHILD
CARE



Benefit eligibility and program design has implications.



Scarce resources should go to those most in need.



Benefit eligibility and program design has implications.

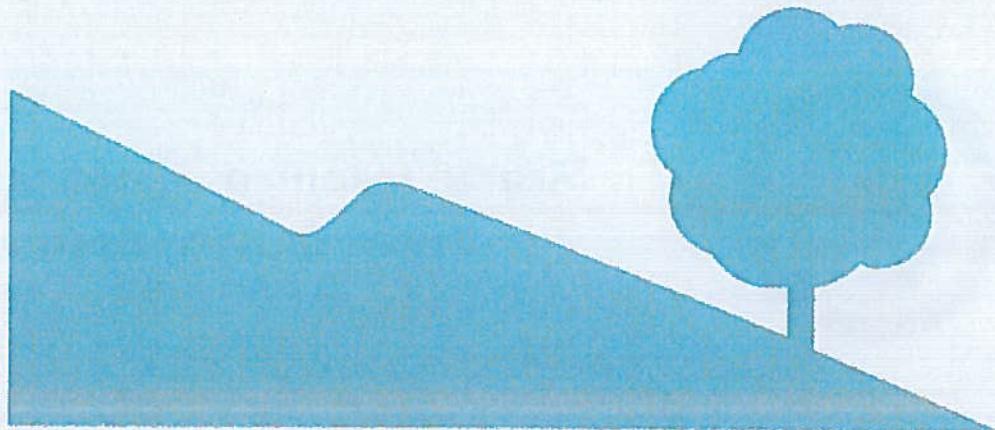
ABOVE THE LINE
BELOW THE LINE



Eligibility is based on income.



Ideally, benefits would phase out gradually.



Unfortunately, some benefits have a hard cut-off.
The result is a “cliff”.



Our model begins with a basic monthly budget.



FOOD



HOUSING



TRANSPORTATION



CHILD
CARE



HEALTH
COVERAGE



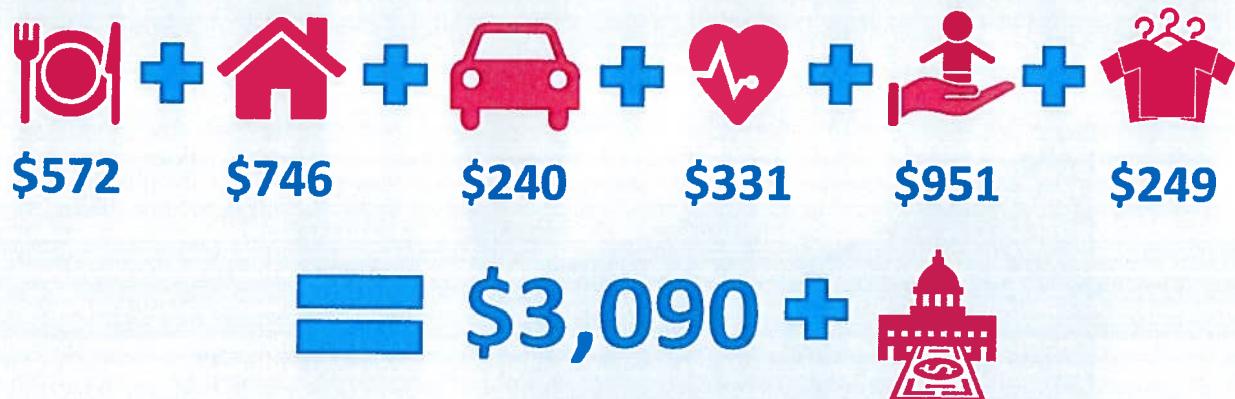
PAYROLL
TAXES



OTHER
NECESSITIES



The break-even income is enough to cover the basic monthly budget.

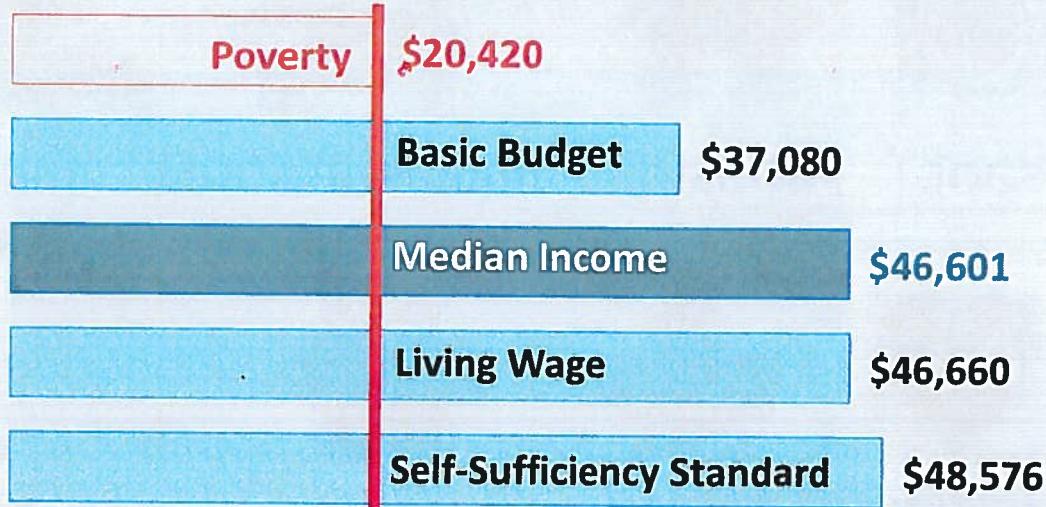


Ohio
Family of 3:
1 Adult, 2 Children



Earning enough to cover the basic budget, a family would be well above poverty.

3 Person Family, Cuyahoga County



We examine how benefits reduce a family's monthly expenses.



FOOD

=

SNAP



HOUSING

=

HCVP

(Section 8)



HEALTH

=

Medicaid



**CHILD
CARE**



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We make some assumptions.

**Adult works full time
(40 hours per week)**

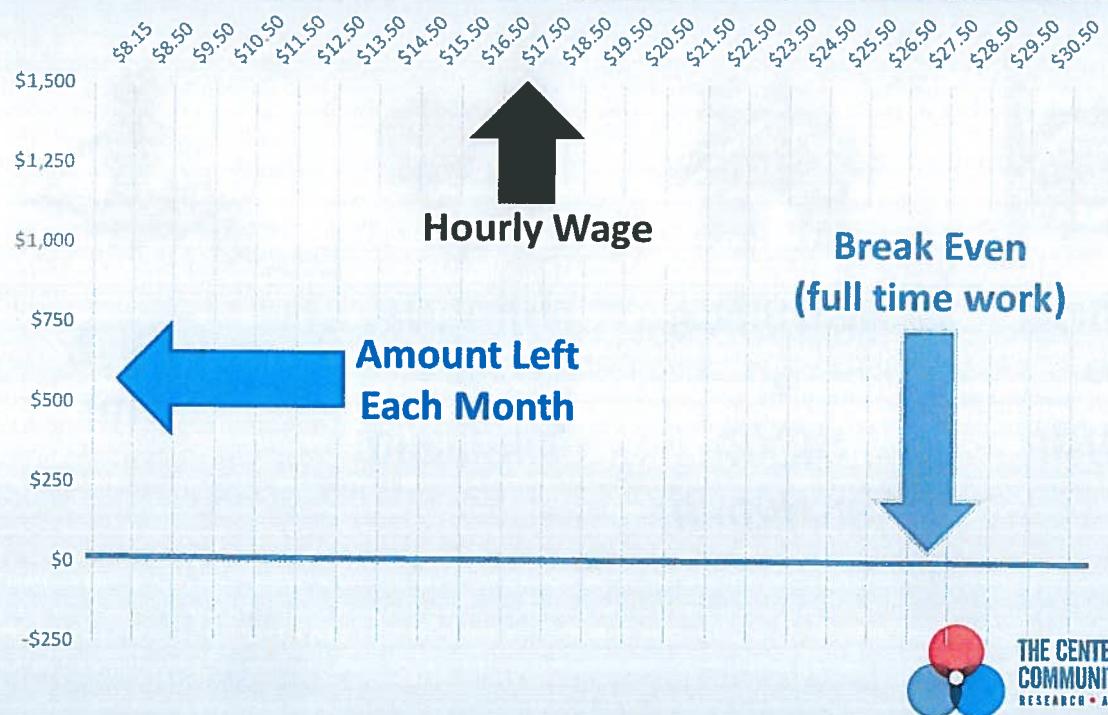
The family receives all the benefits for which they qualify

The family only receives state benefits

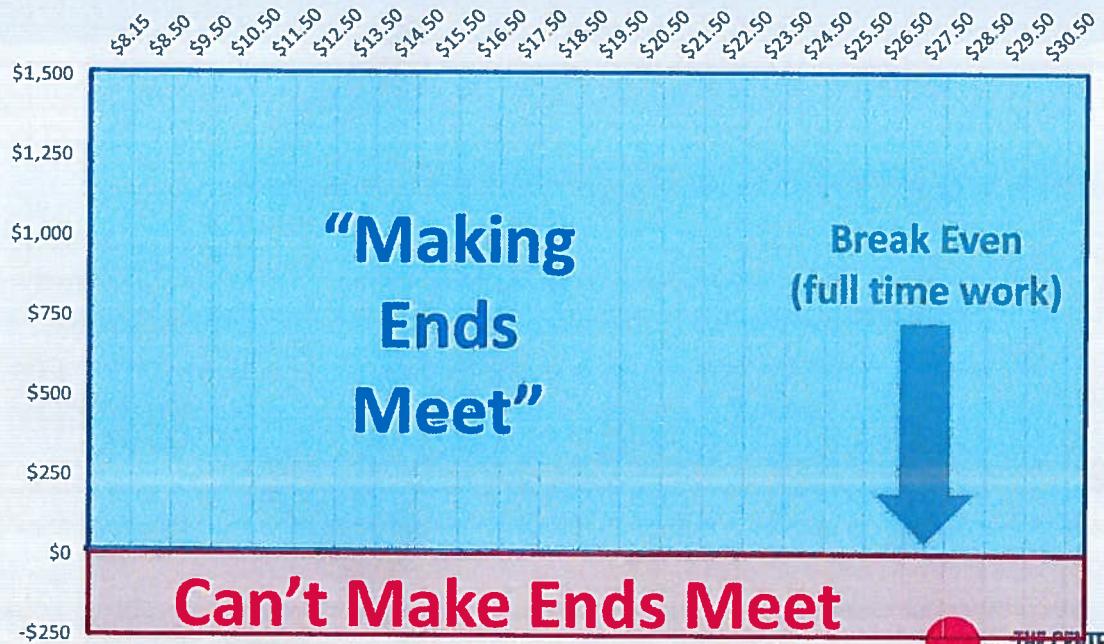
They are able to find subsidized housing and child care which accepts subsidy

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How to Read the Charts



How to Read the Charts

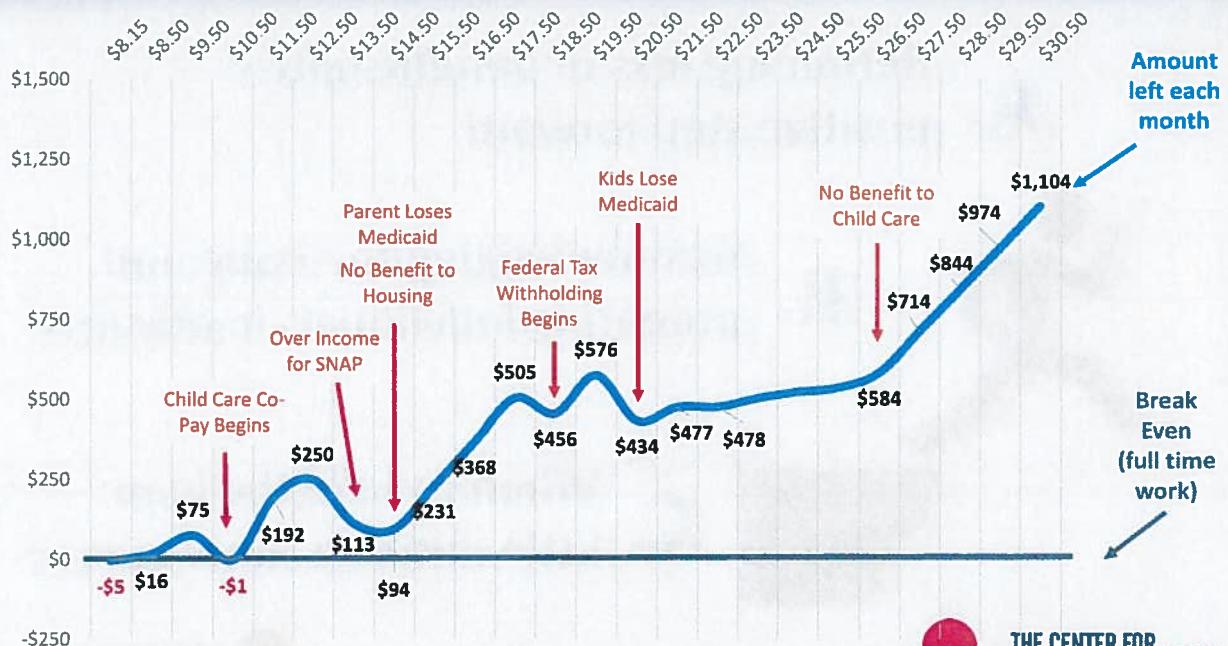


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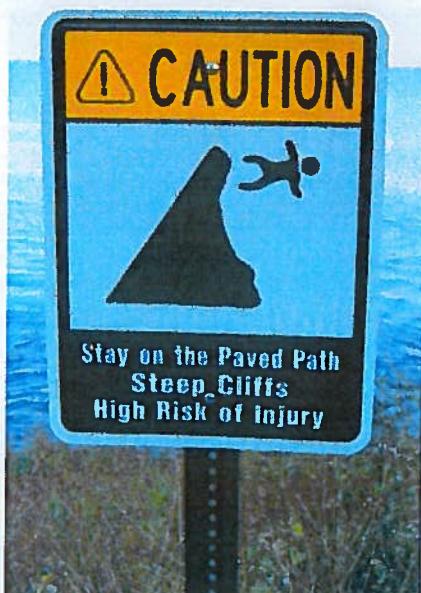
Ohio Benefit Cliff = Family of 3 1 Adult, 2 Children



Ohio Benefit Cliff = Family of 3 1 Adult, 2 Children



Research found that even if people don't encounter the cliffs themselves, it still has an impact.



"The cards are stacked against me."

"Despite my hard work, I have less."

"I'm doing everything right. Why am I being punished?"



Talking to Clients about the Benefit Cliff

- A. Reframing loss of benefits into a positive step forward**

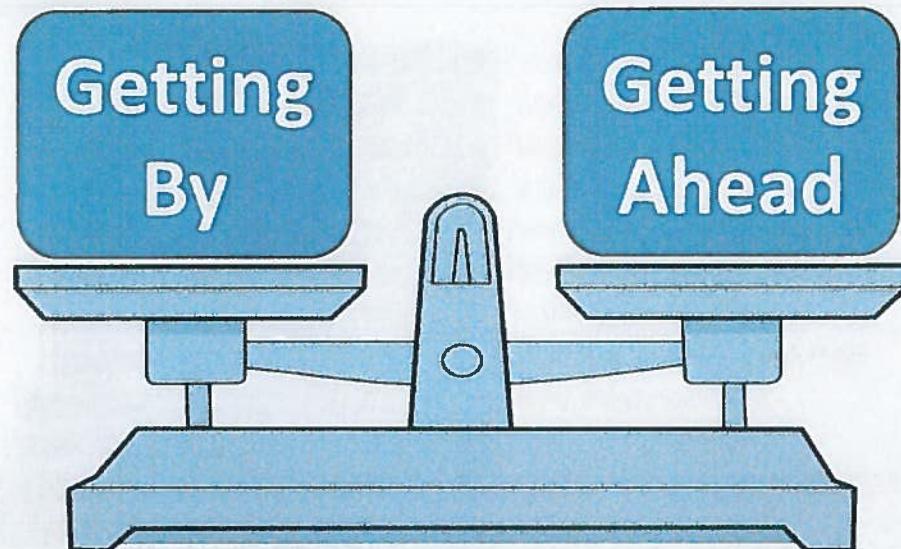


- B. Acknowledging the issue and preparing individuals in advance**

- C. When to take the leap:
little raises vs. new careers**



Reframing the Loss



When to Take the Leap

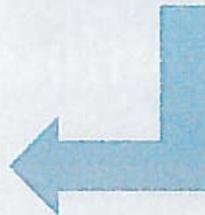
What is the value of the benefit?



What other resources can help?



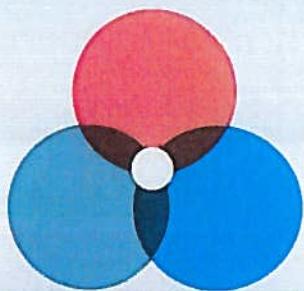
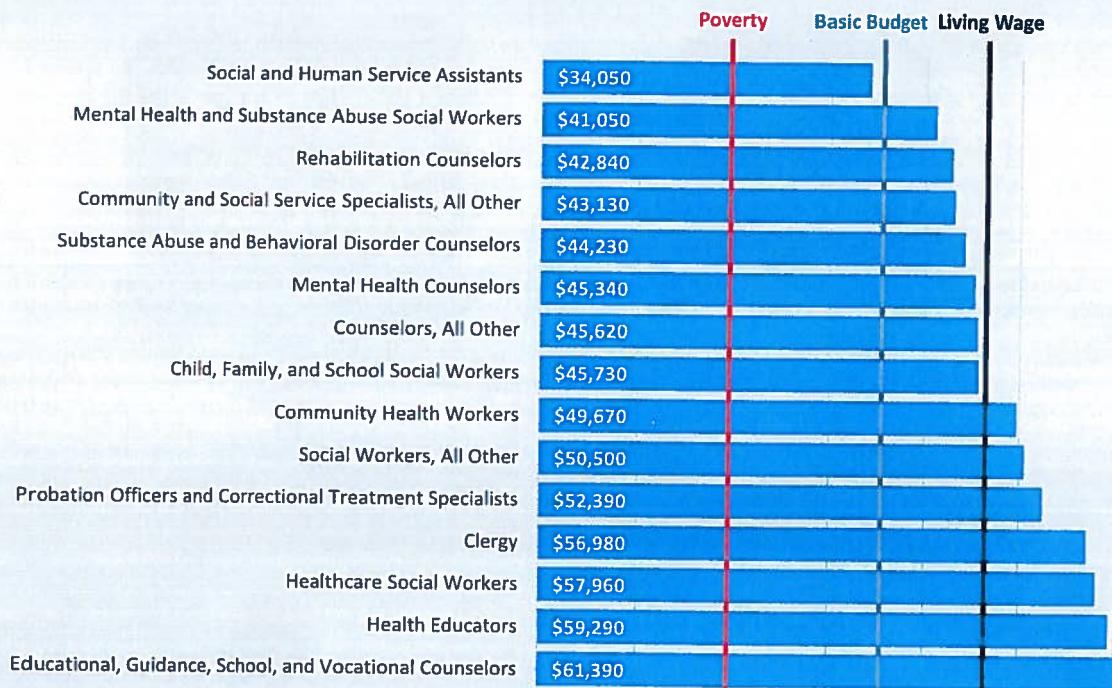
How long will this hurt?



Does this move me toward economic independence?



Getting By & Getting Ahead



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**Presented at Cuyahoga County
Conference on Social Welfare**

Emily Campbell

ecampbell@CommunitySolutions.com

Collaborative-Sustainability Sub-Committee Sign-In Sheet
April 17, 2019

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| Melissa Aguilar | KWFB | |
| Amy Luttrell | Goodwill | |
| Tom Underwood | | |

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